

Germany 2015



Total: 80.11

Political Freedom

Free and Fair Elections : 9.64

Voters have possibility to change the government in Germany through free and fair elections. Germany is a parliamentary democracy with the bicameral federal parliament, the Bundestag (Federal Diet) as the lower house and the Bundesrat (Federal Council). There is a wide range of political parties. There is a 5% threshold that was designed to prevent a fragmentation of the parliamentary system. However in 2013 this barred 15.7% of the voters from proper representation (including 4.8% of those, who voted for the liberal Free Democrats). This is the reason why the threshold is more and more questioned and has been abolished in several local elections and the election to the European Parliament.

Absence of Unconstitutional Veto Players : 10

There are no unconstitutional veto players in Germany. Corruption in the country is rare and the police and military are under effective civilian control. Political violence is rare, although it may increase due to tensions over the question of immigration.

Freedom of Press : 8.2

Freedom of the press and expression is guaranteed by the constitution and highly respected. The country is on rank 12 of the international Press Freedom Index. However, some limitations do exist to the freedom of expression. Thus, holocaust denial and calls for the overthrow of the liberal democratic order. The state does not have a monopoly over television and broadcast.

Rule of Law

Independence of the Judiciary : 7.59

German judiciary is independent from the executive branch of power. Especially the Bundesverfassungsgericht (Federal Constitutional Court) has shown great independence in its ability to check the political power of parliament and government and is the most trusted institution

of the country. The country usually does very well in all comparative human rights indexes. However Amnesty International noted some minor problems. The authorities, for instance, failed to address obstacles in the effective investigation of allegations of ill-treatment by police. None of the federal states established an independent complaints mechanism to investigate allegations of serious human rights violations by the police. There is a high level of protection of personal data. These protections are guaranteed by the constitution, since the Constitutional Court developed the right to informational self-determination.

Corruption : 7.9

Germany's economic system, with its market oriented policies, offers fairly little incentives for corruption. Corruption is effectively persecuted. The country ranks fairly high on Transparency International's Corruption Perception Index with rank 12 (2013: 15) of 175. However, Transparency International has also noted that the hidden influence of lobby groups on the political process is in Germany much higher than in most other Western European countries, therefore the country should do more about laying open connections between politicians and lobbyists.

Protection of Human Rights : 8.57

Germany respects the highest EU, OSCE and UN standards of human rights. Freedom of speech and media (including Internet), of assembly and gathering, academic freedom and many other are a norm. There are, of course, also reasons to worry. Obviously Germany secret services co-operated in the transfer of protected personal data to US-security institutions. Germany's foreign policy usually stresses the importance of human rights internationally. Nevertheless government from time to time deviates from this course in order to maintain the country's position as a leading arms exporter in the world. Deliveries of arms to countries that violate human rights systematically (e.g. Saudi Arabia) are very much critically debated. It is also feared that the huge influx of refugees from civil-war-torn Syria will lead to more restrictive policies against asylum-seekers and migrants.

Economic Freedom

Security of Property Rights : 7.38

Property rights in Germany are overall well respected. Judiciary is mostly independent from outside influences and its proceedings are implemented. The process of law enforcement sometimes tends to be bureaucratic, but is – on the whole – efficient. There are, however, some regulatory practices that restrict the use and free change of real property ownership. For instance, rent controls have been introduced recently. A statutory minimum wage is undermining the right of contract. A new inheritance law was rejected by the constitutional court and it is feared, that a new draft by the government may discriminate against family businesses.

Size of Government: Expenditures, Taxes, and Enterprises : 5.05

The state in Germany is both extensive and expensive and the present government does very little to confront the long-term consequences of this governmental over-stretch. While it is clear that the amount of spending will become increasingly unsustainable in the face of demographic change, Germany has done some rather counter-productive “reforms” in recent times, such as the increase of the retirement age. At the moment the perception of this problem is severely distorted, since the budget is about to become balanced due to massive new revenue. This, however, is only the side-effect of the ECB’s response to the Euro crisis. Artificially low interest rates and the comparative solid state of the economy have produced a boom that almost certainly will end soon. The problem of government spending, then, will show its true virulence.

Regulation of Credit, Labour, and Business : 6.98

Business regulation in Germany is overall business friendly, however bureaucracy cost can be high. The new minimum wage and the regulation of temporary employment may become very problematic in the light of rising immigration. In many sectors of the economy regulation is already thwarting business. Only the artificially low interest rates have prevented the building sector from recession since the costs of environment regulations is excessively high in comparison to other European countries.

Freedom to Trade Internationally : 8.8

As one of the founding members of the European Union, Germany, with its strongly export-oriented economy, has been oriented to the international and the common market. Tariffs are low and in accordance with the EU common trade policy, and other regulatory trade barriers, such as accreditation, quotas and standardizations are few or easy and cheap to obtain. Oddly enough, public opinion increasingly seems to be turning against free trade, as the mass demonstrations against TTIP have shown. It is not yet clear how this change will affect the trade policies of the country. This policy of fairly open borders also reflects the country’s comparatively liberal immigration laws, which have made the country the most popular destination for migrants. As a consequence of the huge wave of migration from Syria this may be handled more restrictively in the future.